

Message Text

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R 080815Z SEP 75

FM AMEMBASSY KATHMANDU

TO SECSTATE WASHDC 2822

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E.O. 11652: N/A

TAGS: PFOR, NP, US

SUBJECT: KHANAL WRITES ON U.S. FOREIGN POLICY

1. SUMMARY. YADU NATH KHANAL, UNTIL RECENTLY NEPALESE AMBASSADOR IN WASHINGTON AND CURRENTLY SPECIAL ADVISER TO THE GON FOREIGN MINISTRY, HAS PREPARED AN EXTENSIVE ARTICLE FOR THE SEMIOFFICIAL RISING NEPAL ON U.S. FOREIGN POLICY AND U.S.-NEPALESE RELATIONS. KHANAL'S EIGHT-COLUMN ANALYSIS, UNDER THE TITLE "NEW DIRECTIONS IN AMERICAN FOREIGN POLICY: POSSIBLE IMPLICATIONS FOR NEPAL" APPEARS IN THE SUPPLEMENT SECTION OF THE SEPTEMBER 5, 1975 EDITION. KHANAL'S TREATISE REFLECTS HIS AFFIRMATIVE VIEW OF THE U.S. CONTRIBUTION TO PEACE AND SECURITY AS WELL AS HIS CONCERNS, CONSTRUCTIVELY STATED, IN THE AREAS OF CURRENT CONTROVERSY IN THE UNITED NATIONS AND ELSEWHERE BETWEEN THE INDUSTRIALIZED AND THE DEVELOPING COUNTRIES. KHANAL TREATS THIS COMPLEX OF ISSUES WITH NOTABLE BALANCE AND POLITICAL SENSITIVITY. THE STRIDENT THIRD WORLD RHETORIC HEARD OFTEN THESE DAYS, WITH ITS CUSTOMARY HOSTILITY TOWARD THE U.S., IS REFRESHINGLY ABSENT FROM KHANAL'S TREATISE. REFRESHINGLY PRESENT ARE CANDID ACKNOWLEDGMENTS OF NEPAL'S, AND BY EXTENSION, THE THIRD WORLD'S PRIMARY RESPONSIBILITIES

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FOR DEVELOPMENT AND FOR MODERNIZING THE BACKWARD SOCIAL SYSTEMS

CHARACTERISTIC OF MANY LDC'S. BUT KHANAL DOES DESCRIBE NEPAL'S GENERAL PERCEPTION OF WORLD ISSUES AS THE THIRD WORLD PERCEPTION, SUPPORTS FRANK DISCUSSION OF THE ECONOMIC AND DEVELOPMENT ISSUES "WHICH DANGEROUSLY DIVIDE THE WORLD," AND ENDORSES THE ECONOMIC CHARTER AS DESERVING OF THOROUGH DEBATE IN THE INTEREST OF UNDERSTANDING AND COOPERATION BETWEEN THE DEVELOPING AND DEVELOPED COUNTRIES. KHANAL DESCRIBES U.S.-NEPALESE RELATIONS AS INDEPENDENT BUT ABLE TO "THRIVE ONLY WITHIN A POLITICAL CLIMATE OF WHICH NEPALESE FRIENDLY RELATIONS WITH INDIA AND CHINA ARE VERY IMPORTANT FACTORS." HE THINKS THIS POINT IS WELL UNDERSTOOD BY AMERICAN POLICY MAKERS. WHILE CAUTIONING THAT THE RELATIONSHIP SHOULD NOT BE TAKEN FOR GRANTED AND SHOULD BE CULTIVATED AND RENEWED BY FRANK DISCUSSION OF AID QUESTIONS, UN AND WORLD ECONOMIC PROBLEMS, AND OTHER ISSUES, KHANAL EVIDENTLY CONSIDERS THAT U.S.- NEPALESE RELATIONS ARE ON A SOUND BASIS. END SUMMARY.

2. AFTER AN INTRODUCTORY TREATMENT OF U.S. FOREIGN POLICY ADJUSTMENTS TO THE CHANGING POWER STRUCTURE OF THE POSTWAR WORLD, KHANAL REACHES THIS APPRAISAL: QUOTE THE MOVEMENT TOWARDS DETENTE UNDERSCORED BY THE SHANGHAI COMMUNIQUE WITH CHINA AND SALT-I AND THE BASIC PRINCIPLES AGREEMENT WITH THE SOVIET UNION HAS NOW BEEN CROWNED WITH THE HELSINKI DECLARATION. THANKS TO THE OST-POLITIC, NORMAL RELATIONS HAVE COME TO BE RE-ESTABLISHED BETWEEN THE TWO HALVES OF EUROPE. A NEW PATTERN OF INTERNATIONAL BALANCE AND STABILITY HAS EMERGED; AND AS THE DEVELOPMENTS SINCE THE FINAL COLLAPSE OF THE PRO-AMERICAN GOVERNMENTS IN INDO-CHINA EARLIER THIS YEAR HAVE INDICATED, THE BALANCE IS MUCH LESS FRAGILE AND THE MOVEMENT TOWARD DETENTE MUCH MORE RELIABLE THAN WAS GENERALLY SUPPOSED. WHILE THIS BALANCE SYSTEM IS INFINITELY MORE COMPLICATED THAN THE ONE DEVISED IN THE VIENNA CONGRESS WHICH INSPIRED IT, IT SHOULD ON THAT ACCOUNT BE ABLE TO TAKE CARE OF WORLD STABILITY DESIRED BY THE UNITED STATES TODAY, AS SOME OF THE ABOVE-MENTIONED ACHIEVEMENTS ILLUSTRATE. UNQUOTE

3. DESCRIBING AMERICA'S RELATIONS WITH THIRD WORLD COUNTRIES AS SERIOUSLY NEGLECTED DURING THE PERIOD OF AMERICAN PREOCCUPATION WITH VIETNAM, KHANAL STATES THAT RELATIONS BETWEEN THE UNITED STATES AND A CONSIDERABLE NUMBER OF THIRD WORLD COUNTRIES STILL CONTINUE TO BE UNEASY AND THAT MANY THIRD WORLD COUNTRIES LIMITED OFFICIAL USE

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FEAR THAT THE AMERICAN APPROACH TO A BALANCE IN WORLD POWER RELATIONS MAY OPERATE TO THEIR DETRIMENT. HE THINKS THERE IS A PROFOUND DIFFERENCE OF PERCEPTION WHICH NEEDS TO BE RECOGNIZED IN A CONSTRUCTIVE WAY BY BOTH SIDES: QUOTE IT WOULD BE A CONSTRUCTIVE DEVELOPMENT IF THE AMERICAN PERCEPTION COULD INCLUDE THE FACT THAT THE WORLD TODAY IS SUBSTANTIALLY DIFFERENT FROM WHAT IT WAS WHEN THE UNITED STATES DOMINATED THE UNITED NATIONS IN THE FIFTIES AND IF THE THIRD WORLD UNDERSTOOD

BETTER THAN IT SEEMS TO DO THAT THE UNITED NATIONS CANNOT SURVIVE UNLESS THE UNITED STATES PLAYS A MAJOR ROLE. WORLD STATESMANSHIP SHOULD PROVE EQUAL TO THE TASK OF FINDING A ROLE FOR THE UNITED NATIONS WHICH IS MEANINGFUL TO THE THIRD WORLD IN TERMS OF THEIR PROBLEMS WITHOUT BEING PROVOCATIVE TO VITAL AMERICAN SENSITIVITIES. UNQUOTE

4. IN KHANAL'S VIEW THE "RHETORIC OF CONFRONTATION AND BOYCOTT" IS MISPLACED IN EFFORTS TO DEAL WITH THE DIFFICULT PROBLEMS OF POVERTY AND A PROGRESSIVE INTERNATIONAL ORDER. KHANAL CITES THREE CURRENT ISSUES ON WHICH NEPAL AND THE U.S. MAY NOT FULLY SEE EYE-TO-EYE FOR SOME TIME TO COME. THE FIRST OF THESE IS THE ATTITUDE TOWARD THE UNITED NATIONS. WHEREAS THE AMERICAN ATTITUDE TOWARD THE UN HAS BECOME INCREASINGLY CRITICAL, KHANAL STATES, THE UN FOR NEPAL IS "NOT ONLY A SOURCE OF INSPIRATION BUT ALSO A PRACTICAL INSTRUMENT OF MORAL AND POLITICAL SECURITY."

5. KHANAL EMPHASIZES THAT NEPAL HAS "REFRAINED AS FAR AS POSSIBLE FROM PLAYING WITH THE ISSUES ON WHICH THE SUPERPOWERS FEEL STRONGLY" AND HOPES THAT THE THIRD WORLD IN GENERAL WILL FOLLOW A SIMILAR APPROACH.

6. COMMENTING ON NEPAL'S GENERAL ORIENTATION ON WORLD ISSUES, KHANAL ASSERTS THAT QUOTE OUR GENERAL PERCEPTION WILL CONTINUE TO BE WHAT MAY BE CALLED THE THIRD WORLD PERCEPTION. WE ARE IN THE THIRD WORLD NOT BECAUSE WE ARE AGAINST ANYBODY, NOT CERTAINLY AGAINST THE UNITED STATES, NOR BECAUSE WE ARE GUIDED GENERALLY BY ANY BLOC SPIRIT, BUT BECAUSE WE SHARE SIMILAR ECONOMIC AND SOCIAL PROBLEMS. UNQUOTE. THE GREAT DEBATE NOW TAKING PLACE IN THE UNITED NATIONS IS NOT AN ARTIFICIAL DEBATE. WHILE RESTRAINT RATHER THAN RHETORIC, COOPERATION RATHER THAN CONFRONTATION WILL HELP, FRANK DISCUSSION OF THE LIMITED OFFICIAL USE

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"ISSUES WHICH DANGEROUSLY DIVIDE THE WORLD" IS ESSENTIAL IN KHANAL'S VIEW.

7. KHANAL AGAIN NOTES THE ESSENTIALITY OF A STRONG CONTINUED U.S. PARTICIPATION IN THE UN, ASSERTING THAT A FUNCTIONING UNITED NATIONS WITH THE UNITED STATES IN SERIOUS OPPOSITION IS A CONTRADICTION IN TERMS. HE ARGUES THAT ALL PROTAGONISTS ON ISSUES SUCH AS RACIALISM IN SOUTH AFRICA AND THE ARAB-ISRAELI DISPUTE MUST HAVE REGARD TO THE SENSITIVITIES OF THE OTHER SIDE SO AS NOT TO BRING DOWN THE WORLD ORGANIZATION ITSELF.

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8. KHANAL DESCRIBES THE BASKET OF CURRENT ECONOMIC QUESTIONS AS "THE SECOND ISSUE THAT SO DIVIDES THE UNITED STATES AND THE THIRD WORLD AS TO THREATEN THE VERY EXISTENCE OF THE UNITED NATIONS." NOTING THAT THE GAP BETWEEN THE RICH AND THE POOR NATIONS IS GROWING RATHER THAN DIMINISHING, KHANAL CONTRASTS THE REMARKABLE GROWTH RATES OVER TIME OF JAPAN WITH THE SITUATION OF NEPAL WHICH "HAS REGISTERED HARDLY MORE THAN A ZERO GROWTH RATE IN SPITE OF CONSIDERABLE INTERNATIONAL ASSISTANCE." NEPAL, HE SAYS, MUST WORK HARDER AND ORGANIZE BETTER AND ACCEPT THE FACT THAT "OUR OWN TRADITIONAL SOCIAL SYSTEM, IN SPITE OF ITS CULTURAL RICHNESS, IS RESPONSIBLE IN ULTIMATE ANALYSIS FOR THE STATE OF BACKWARDNESS WE ARE IN." ALTHOUGH THE MAIN RESPONSIBILITY FOR BACKWARDNESS IS INTERNAL, KHANAL SAYS THAT THE ENORMOUS INTERNATIONAL OBSTACLES CANNOT BE IGNORED. THUS THIRD WORLD COUNTRIES HAVE COME TO BELIEVE THAT NOTHING LESS THAN AN ECONOMIC CHARTER WHICH IS BOTH REALISTIC AND PROGRESSIVE WILL RESTORE THE EQUILIBRIUM BETWEEN THE DEVELOPED AND THE DEVELOPING COUNTRIES. ALTHOUGH THE CHARTER "IS NOT A RIGID DOCUMENT AND IS OPEN TO NEGOTIATION, IT DOES EMBODY A NEW PHILOSOPHY OF INTERNATIONAL JUSTICE AND ORDER WHICH DESERVES TO BE DISCUSSED AND DEBATED THOROUGHLY AND WITH AN OPEN MIND IN THE INTEREST OF UNDERSTANDING AND COOPERATION BETWEEN THE DEVELOPING AND

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DEVELOPED COUNTRIES."

9. KHANAL'S THIRD ISSUE IS AMERICAN AID TO NEPAL. HIS COMMENTS IN FULL ARE: QUOTE RELATED TO THESE TWO ISSUES IS THE QUESTION OF AMERICAN ECONOMIC AND TECHNICAL ASSISTANCE, THE THIRD IN OUR LIST. THE UNITED STATES HAS MAINTAINED A STEADY LEVEL OF AID TO NEPAL FOR THE LAST SEVERAL YEARS. MOST OF THIS AID HAS BEEN GRANTS AVAILABLE IN THE FORM OF INDIAN RUPEES AND HAS BEEN USED IN SEVERAL AREAS OF NEPAL'S DEVELOPMENT. WE HAVE BENEFITED FROM THIS AID IN EDUCATION, HEALTH, AGRICULTURE AND RURAL DEVELOPMENT, TRANSPORT, PUBLIC ADMINISTRATION, AND FINANCING AND TECHNICAL SUPPORT FOR INDUSTRIAL DEVELOPMENT. THE RANGE IN OTHER COUNTRIES HAS BEEN EVEN WIDER; AND THOUGH THE UNITED STATES IS NOT VERY HIGH AMONG THE DEVELOPED COUNTRIES IN TERMS OF THE UNITED NATIONS DECISION WHICH URGES, FOLLOWING THE PEARSON COMMISSION RECOMMENDATION, THAT AID SHOULD COME UP TO ONE PERCENT OF A DEVELOPED COUNTRY'S GNP, AMERICAN AID IN TERMS OF VOLUME OVER ALL THESE YEARS HAS BEEN VERY CONSIDERABLE. BUT THE AMERICAN POLITICAL OPINION AS REPRESENTED IN THE CONGRESS IS MUCH MORE CRITICAL TODAY THAN IT WAS EVER BEFORE. WHILE THE SO-CALLED PEOPLE-ORIENTED NEW PHILOSOPHY OF AID, EMPHASIZING AGRICULTURE, EDUCATION AND FAMILY PLANNING IS IN LINE WITH OUR OWN PHILOSOPHY OF DEVELOPMENT, AN INTENSE DIALOGUE IS NEEDED BETWEEN THE TWO SIDES IN ORDER TO ENSURE THAT THIS PHILOSOPHY IS ACTUALLY TRANSLATABLE IN TERMS OF THE CONCRETE NEEDS OF NEPAL. NEPAL'S AGRICULTURAL DEVELOPMENT, FOR EXAMPLE, MUST INCLUDE AT THE MOMENT THE DEVELOPMENT OF HILL AGRICULTURE WHICH IN ITS TURN, IN VIEW OF THE SPECIAL TERRAIN AND LACK OF INFRASTRUCTURE COMPARABLE TO THAT OF INDIA, PAKISTAN OR BANGLADESH IN THE SUB-CONTINENT, MUST INCLUDE THE DEVELOPMENT OF RURAL ROADS. THE POLICY, THEREFORE, NEEDS TO BE INTERPRETED ACCORDINGLY. APART FROM THIS QUESTION OF GENERAL POLICY, THERE IS THE PROBLEM OF EVOLVING A WORKING ARRANGEMENT WHICH WILL MAKE IT POSSIBLE TO

CONTINUE BILATERAL AID EVEN AFTER THE EXPIRY OF THE PRESENT THREE-YEAR PERIOD WHEN GRANTS IN INDIAN RUPEES WILL NO LONGER BE AVAILABLE. PROGRESS IN TWO DIRECTIONS IS REQUIRED. ONE, THERE SHOULD BE FRESH UNDERSTANDING BETWEEN THE TWO COUNTRIES AND IT IS IN

MUTUAL INTEREST THAT BILATERAL AID CONTINUES. MY OWN IMPRES-
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SION IS THAT INTEREST
IN THIS REGARD HAS BEEN INDICATED. TWO,
IF IT IS SO DECIDED, AGREED PROCEDURES MUST BE DEVELOPED WHICH
RECONCILE AMERICAN LAWS REGARDING DOLLAR AID AND REAL WORKING
CONDITIONS IN NEPAL. SIMILAR ADJUSTMENTS MAY BE NECESSARY AS
THE AMERICAN AID TO NEPAL TAKES INCREASINGLY A MULTILATERAL

DIRECTION.

POLITICAL IMPLICATIONS OF ALL THESE ISSUES ARE OBVIOUS;
AND I BELIEVE THAT THE TIME HAS COME WHEN ALL THESE IMPORTANT
QUESTIONS ARE TAKEN UP AT THE POLITICAL LEVEL WITH A VISION AND
IMAGINATION THAT TAKES ALL RELEVANT CONSIDERATIONS INTO ACCOUNT.
UNQUOTE

10. CONCLUDING HIS ANALYSIS, KHANAL GIVES THE FOLLOWING OVERALL
APPRAISAL OF U.S.-NEPALESE RELATIONS: QUOTE IT IS A MATTER OF
SATISFACTION THAT THE RELATIONS BETWEEN NEPAL AND THE UNITED
STATES HAVE BEEN MARKED, BY AND LARGE, BY MUTUAL FEELINGS OF
WARMTH AND GOOD WILL. THIS IS SO BECAUSE THERE HAS BEEN
NO ILLUSION, NO DRAMATIC EXPECTATION ON EITHER SIDE. OUR RELA-
TIONS WITH THE UNITED STATES ARE INDEPENDENT OF OUR RELATIONS
WITH OTHER COUNTRIES BUT THERE IS A RECOGNITION OF LIMITATION,
ON BOTH SIDES, IMPOSED BY GEO-POLITICAL CONSIDERATIONS. DIFFER-
ENCES ARE WELL UNDERSTOOD BECAUSE THEY ARE, MORE OFTEN THAN NOT,
EXPRESSED IN MODERATE LANGUAGE. THAT NEPAL'S POLICY HAS LIMITED
ITSELF TO ITS BASIC NATIONAL INTEREST AND HAS REFRAINED FROM
BEING ABRASIVE HAS WON APPRECIATION AND EVEN ADMIRATION OF
INFORMED AMERICAN LEADERSHIP. THOUGH NEPAL-US FRIENDSHIP
IS INDEPENDENT, IT CAN THRIVE ONLY WITHIN A POLITICAL CLIMATE
OF WHICH OUR FRIENDLY RELATIONS WITH INDIA AND
CHINA ARE VERY
IMPORTANT FACTORS. MY OWN IMPRESSION AFTER MY HAPPY TWO YEARS
IN WASHINGTON IS THAT THIS POINT IS WELL UNDERSTOOD AMONG
AMERICAN POLICY MAKERS AND THAT THERE IS GENUINE GOODWILL FOR
NEPAL WHICH, HOWEVER, SHOULD NOT BE TAKEN FOR GRANTED BUT
SHOULD BE CONSTANTLY CULTIVATED AND RENEWED BY A FRANK AND
INTELLIGENT DISCUSSION NOT ONLY OF THOSE ISSUES ENUMERATED
ABOVE BUT ALSO OF THE INTERNATIONAL SITUATION AS A WHOLE. UNQUOTE

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